



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*

## **Water Services Entities Bill**

South Wairarapa District Councillors submission on the Water Services Entities Bill

### **About South Wairarapa District Council**

South Wairarapa District Council (SWDC) encompasses the three rural towns of Featherston, Greytown and Martinborough. We also have a vast area of rural hinterland home to many more small communities, edged by the Remutaka and Tararua Ranges and cradled by 124 kilometres of rugged coastline.

Our population is around 11,700 and we are expected to grow to 13,600 over the next decade.

Our vision is 'the best of country living with the community at the heart of everything we do' and we are working hard to achieve this.

We believe that a council should be part of the community it serves and therefore welcome feedback from residents and visitors alike regarding our district and council services.

The purpose of council is to enable democratic local decision-making and action by, and on behalf of, communities and to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The council comprises a mayor and nine elected councillors from the three wards of the South Wairarapa district.

### **General Position**

This submission is made on behalf of the SWDC Councillors and reflects the thinking by our elected members considering the information they have been provided and the conversations they have had with some community stakeholders and residents.

Like many councils, our community is diverse, and the opinions of our communities are diverse. As a small Council, our capacity to engage deeply with our communities on issues outside our legislative requirements, is limited. The significance and pace of the proposed changes alongside other central government reform has meant we have not specifically engaged on this issue with our residents. In saying this, some residents have communicated with our Councillors on an individual basis. People have also shared their thoughts through other mechanisms including social media, through usual Council meetings, and our annual plan engagement process.

Councillors hold mixed opinions of the key issues and recommendations including some not being supportive of the shape of this reform at all.

Taking the diversity of opinion, we have agreed on the following themes for this submission:

## 1. Pace and sequencing:

- 1.1. The proposed timeframe to the Establishment Date of 1 July 2024, and the fact that there are several other associated Bills to be introduced, absorbed, and acted upon runs a strong risk that the WSE's will not be able to deliver on its responsibility to have sufficient capacity and capability to provide safe, reliable, and efficient water services in its area.
- 1.2. Establishment plans, transition arrangements (including people), asset management plans, and asset transfers are yet to be formalised as the associated Bills have not yet been introduced and will require considerable work
- 1.3. Going 'live' early on a Minimum Viable Product (MVP) or similar basis will introduce significant risk into the transition and the impacts of this risk need to be fully thought through.
- 1.4. This is particularly relevant with little visibility as to the Establishment Plan.
- 1.5. **Recommendation 1:** the proposed changes need to be better phased to consider the large number of reforms underway, such as the review of local government, health, and education sector reforms etc, which have a significant impact on smaller councils and communities like the South Wairarapa.

## 2. Governance and representation:

- 2.1. The Regional Advisory Panels may provide opportunities for local voice, however, there is no apparent mechanism for accountability back to the panels.
- 2.2. There is a significant risk of population-based decisions where smaller, more isolated, and rural communities with significantly different needs may not be well-served.
- 2.3. Due to the limited representation of council interests at decision tables (22 councils in Entity C and a maximum of 6-7 positions in the RRG), there remains a lack of confidence around how local desired outcomes will be managed.
- 2.4. Councillors have mixed opinions on co-governance.
- 2.5. **Recommendation 2:** consider a co-design process on the development of the model WSE constitution to build trust with the shareholders.
- 2.6. **Recommendation 3:** there needs to be better requirements laid down for the skills and background of ALL members in the co-governance model and one way this can be achieved would be through the aforementioned co-design of the constitution.

## 3. Protection against future privatisation of assets:

- 3.1. The Bill offers some protection from privatisation but given the sovereign powers of parliament to repeal or replace any legislation, counsellors are concerned the protections from privatisation are not adequate.
- 3.2. **Recommendation 5:** further work be explored to build confidence that this protection meets council's expectations and consideration given to how assets would remain in public ownership if the new entities were to be dissolved.

#### **4. Infrastructure assets and Rural Users:**

- 4.1. As a primarily rural Council with existing water race assets that traverse urban and rural boundaries and supply stock water as well as some stormwater protection, we are concerned that the definition of infrastructure assets has not contemplated how these atypical assets may be treated at this stage.
- 4.2. There remains a lack of clarity about the rights to use or access water particularly for rural water users.
- 4.3. There remains uncertainty for rural ratepayers if it is the intention of the government to force rural ratepayers to contribute to the entities (see point 6.2 below).
- 4.4. **Recommendation 6:** consider the inclusion or exemption of certain rural specific assets so that planning and preparation for these assets remaining in Council may occur in a timely and non-disruptive manner.

#### **5. WSE 3 boundaries:**

- 5.1. Dialogue continues that the boundaries of the proposed WSE 3 is not a logical fit for SWDC and the communities it serves, particularly the inclusion of the top of the South Island.
- 5.2. **Recommendation 7:** further work be explored to build confidence that the proposed WSE boundaries are fit for purpose and do not disadvantage SWDC in any way.

#### **6. Pricing, billing and affordability:**

- 6.1. Counsellors have questions about the affordability and billing of their water services and the impact of not being able to pay for water.
- 6.2. It is unclear whether payment for water will be assessed as a 'bill' or as a 'rate' and this speaks to the issue of security and rights of the new entity to enforce payment.
- 6.3. **Recommendation 8:** urgently address pricing and billing decisions and the issue of affordability to give confidence to communities about the future costs of their water services.

#### **7. Community engagement:**

- 7.1. Counsellors have struggled to keep pace with the continuing speed of change which has had an impact on our ability to have meaningful dialogue with our communities.
- 7.2. Councillors are further worried about the lack of community consultation given that councils were initially specifically requested not to consult with their communities and to refer questions to the DIA.
- 7.3. The volume, piecemeal and technical nature of the information has not supported an easy understanding of the implications of the proposed changes by our communities.
- 7.4. The resources and skills required for high quality engagement on a project of this scale over the next few years is not in the SWDC budget or current capacity without compromising our other planned programmes.
- 7.5. **Recommendation 9:** either resource councils to adequately undertake this engagement on behalf of central government or provide easy to understand information and resources that genuinely meet the needs of communities.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Alex Beijen', followed by a horizontal line.

Alex Beijen, Mayor

On behalf of the Councillors of the South Wairarapa District Council